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THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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HARVEST TIME

Whoever needs inspiration of the productive capacity of this country should set his eyes over the land at this time of the year. Half a million wagons turning out of Mississippi Valley cornfields, piled high with yellow grain. Great four-horse loads of wheat dotting the roads from Canada to the Panhandle. Endless trains of sheep and cattle flowing eastward out of the two-thousand-mile stretch of range country. Innumerable snow-white loads waiting at the cotton gins of another thousand-mile territory. An army of packing and processing establishments drawing, magnet-wise, the avalanche of fruit from fertile Pacific country; sugar beets from western, irrigated valleys; potatoes and vegetables of a thousand valleys from Connecticut to Sacramento.

It is a splendid harvest, all told. Not bumper yields but production well adjusted to reasonable needs. In contrast to last year, this was a consistently early season, with dry weather finally pushing the crops along to early maturity. This has brought some embarrassment in the Cotton Belt from labor shortage. The south is also under the handicap of general curtailment of feed crops, due to the dry weather.

The two great money crops, cotton and wheat, are now along where some idea can be gained of their value. Cotton apparently stands to bring its producers an income of approximately one and a half billion dollars, which is about like last year. Wheat producers apparently stand to receive about one billion dollars, which is also near or slightly below last year. These two leading crops probably index the general crop income. Agricultural income will not be greatly in excess of last year. But the point is that this is the second fairly profitable year. The improvement now is cumulative.

This season will go a long way to level up regional conditions. Agriculture in this country is a regional industry. The Corn Belt along with the dairy-and-diversified East have been slow to feel the stimulating current of revival. Now the rising prices of hogs and cattle, together with a reasonably good corn crop, means some profits in the corn Belt. The slowly strengthening prices for dairy products plus higher potatoes and minor cash crops promise somewhat better income for the East. The whole agricultural map thus slowly emerges from economic shadow.

Agriculture has had much attention from urban quarters this fall; statements of its recovered prosperity have been widely heralded. In fact, conservative judgment to that effect is warranted. The farmer has his head above water once more and his business is a going business. The improved rural purchasing power will do much to uphold general economic well-being through the winter. But farm prosperity can be as easily over-rated as depression, especially by city observers. It is questionable whether it will profit the community at large to make this harvest the signal for agitating higher freight rates, higher taxes, or increased burdens of any kind on the farmer.

KEY REGIONS AT A GLANCE

THE EAST - Busy with silo filling, potato digging, fruit harvest and fall work generally. Potato yield disappointing. Corn growth excellent, helped by late rains. Beans, buckwheat and other crops in harvest were damaged by heavy rains in north. Winter grain mostly seeded. Dairy situation rather static but improves rather than otherwise.

THE SOUTH - Generally under the ban of dry weather. Drought and heat a real catastrophe in north Georgia and portions of Carolinas. Whole Piedmont region hard hit. Cotton crop spotted but generally fairly good. Picking well along and ginning has been heavy. Feed crops shortened by dry weather. General conditions fairly good except in drought areas.

CORN BELT - Corn harvest well along with crop matured safely ahead of frost. Some chaffy corn in areas hit by dry weather but bulk of crop is apparently good grain. Region busy with late harvest and fall work. Winter grain planted under favorable conditions. Hog and cattle situation generally favor optimism.

WHEAT BELT - Winter wheat seeding about finished. Local estimates of acreage vary but general indications are of some increase over last fall. Spring wheat yields only fair but grain is excellent quality and prices are stimulating. Threshing practically finished. General result of season is favorable to the region as a whole.

RANGE COUNTRY - Cattle and sheep movement to market well along. Stock moving down from high range to winter pastures. Heavy demand for ewes. Many ewe lambs held back on range and many old ewes shipped to farm flocks for breeders. Some cattlemen stocking up where have resources. Whole region improving in tone.

PACIFIC COAST - Apple and grape harvest well along. Prunes picked. Grain mostly threshed. Fall seeding about finished in north though hindered by dry weather. Same with winter trucks in south. Picking cotton in south. Rice and citrus fruit developing well. General sentiment moderately optimistic.

THE TREND OF CROP PRODUCTION

	1913 Production	Production 5-Year Av. 1920-1924	1924 Production	1925 Production August 1 Forecast	1925 Production September 1 Forecast
	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Winter wheat, bu.	523	592	590	416	416
Spring wheat, bu.	240	245	283	263	284
All wheat, bu.	763	837	873	678	700
Corn, bu.	2,447	2,935	2,437	2,950	2,885
Oats, bu.	1,122	1,328	1,542	1,387	1,462
Flaxseed, bu.	18	15.3	30.2	23.5	23
Cotton, bales	14.1	10.9	13.6	13.99	13.93*
Rice, bu.	25.7	39.8	34.0	36.2	35.3
Potatoes, white, bu.	332	418	455	353	344
Sweet potatoes, bu.	59	96.2	71.9	85.3	75.6
Tobacco, lbs.	954	1,331	1,241	1,234	1,247
Hay, all, tons	64	107	112	91	93.6
Apples, total, bu.	145	181	179	161	162
Apples, commercial, bbls.	---	30.4	28.6	30.4	30.4
Peaches, total, bu.	40	46.5	53.1	47.4	47.7

*Forecast as of September 16.

AVERAGE PRICES OF FARM PRODUCTS RECEIVED BY PRODUCERS

September 15, 1925.

Actual prices received by producers at local farm markets as reported to the Division of Crop and Livestock Estimates of this Bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

	5-yr. Av. Aug. 1909- July, 1914	Sept. Av. Aug. 1909- July, 1914	Sept. 1924	Aug. 1925	Sept. 1925
Cotton, per lb.	¢ 12.4	12.2	22.2	23.4	22.5
Corn, per bu.	¢ 64.2	69.6	109.7	106.5	98.8
Wheat, per bu.	¢ 83.4	87.7	114.2	150.4	144.4
Hay, per ton	\$ 11.87	11.39	12.68	12.25	12.42
Potatoes, per bu.	¢ 69.7	74.4	81.0	155.4	121.1
Oats, per bu.	¢ 39.9	38.8	47.1	40.7	38.1
Beef cattle, per 100 lbs.	\$ 5.22	5.09	5.53	6.58	6.27
Hogs, per 100 lbs.	\$ 7.23	7.49	8.50	12.19	11.50
Eggs, per dozen	¢ 21.5	20.5	31.8	30.0	31.1
Butter, per lb.	¢ 25.5	25.0	38.2	40.0	41.1
Butterfat, per lb.	¢ ----	----	36.6	41.3	42.6
Wool, per lb.	¢ 17.7	17.0	35.5	38.1	37.8
Veal calves, per 100 lbs.	\$ 6.75	6.78	8.09	8.80	9.07
Lambs, per 100 lbs.	\$ 5.91	5.47	10.18	11.80	11.95
Horses	\$142.00	142.00	78.00	80.06	76.86

Farm prices of all crops except hay were lower September 15 than a month ago. Beef cattle, hogs, wool and horses also showed small decreases. Veal calves and lambs are slightly higher, while eggs and butter show usual seasonal advances. Farm prices have followed closely the general trend of market prices during the past month. Potato prices show a marked decline, which is partly seasonal and partly due to early shipments from late producing States. Corn and oats prices sag lower as the prospects of a good corn crop of excellent quality become more and more a certainty. Hog prices were lower in September than August in the face of lower receipts at seven markets. While receipts showed the usual seasonal decline, prices failed to show the usual seasonal advance.

The farm prices of feed crops are lower than a year ago, corn prices September 15 were 10 per cent, oats 19 per cent and hay 2 per cent below the same date last year. Prices of farm products which are important as human food are all higher than a year ago except eggs. The farm price of wheat was 26 per cent and potatoes 50 per cent higher than last year. Hogs were 35 per cent, lambs 17 per cent, beef cattle 13 per cent, veal calves 12 per cent, butter 8 per cent and butterfat 16 per cent above prices a year ago, while egg prices showed a 2 per cent decline. Cotton prices were about the same as a year ago while wool prices were 6 per cent higher.

PRICE INDEXES FOR AUGUST AND SEPTEMBER, 1925.

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number.) Shows year ago, and latest available month :

Farm Products

(Prices at the farm, Aug. 1909 - July 1914 = 100.)

	<u>Sept.</u> <u>1924</u>	<u>Aug.</u> <u>1925</u>	<u>Sept.</u> <u>1925</u>	<u>Month</u> <u>Trend</u>
Cotton	179	189	181	Lower
Corn	171	166	154	Lower
Wheat	129	170	163	Lower
Hay	107	103	105	Higher
Potatoes	116	223	174	Lower
Beef cattle	106	127	121	Lower
Hogs	117	168	159	Lower
Eggs	148	140	145	Higher
Butter	150	157	161	Higher
Wool	199	214	212	Lower

Commodity Groups

(Wholesale Prices; 1910-1914 = 100.) 1/

	<u>Aug.</u> <u>1924</u>	<u>July</u> <u>1925</u>	<u>Aug.</u> <u>1925</u>	<u>Month</u> <u>Trend</u>
Farm products	145	162	163	Higher
Food, etc.	143	156	158	Higher
Cloths & clothing	194	192	193	Higher
Fuel & lighting	197	200	197	Lower
Metal & met. products	140	136	136	Unchanged
Bldg. materials	174	175	178	Higher
Chemicals, etc.	129	132	133	Higher
House-furnishing goods	177	175	175	Unchanged
<u>ALL COMMODITIES</u>	<u>152</u>	<u>163</u>	<u>163</u>	<u>Unchanged</u>

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

RELATIVE PURCHASING POWER

(At August 1925 Farm Prices)

Aug. 1909 - July, 1914 = 100

In terms of:	Of a Unit of:				
	Cotton	Corn	Wheat	Hay	Potatoes
All commodities	115	102	104	63	136
Cloths, etc.	98	86	88	53	115
Fuel, etc.	96	84	86	52	113
Metals, etc.	138	122	125	76	163
Bldg. Materials	106	93	96	58	126
House-furnishing goods	108	95	97	59	127

	Beef Cattle	Hogs	Eggs	Butter	Wool
All commodities	77	103	85	96	131
Cloths, etc.	65	87	72	81	111
Fuel, etc.	64	85	71	80	109
Metals, etc.	93	123	102	115	157
Bldg. materials	71	95	79	88	121
House-furnishing goods	72	96	80	90	122

The substantial rise in the index of farm prices in August was not accompanied by a similar rise in other commodity prices. The relative exchange value of farm products for non-agricultural goods therefore rose from 91 in July to 93 in August, the highest point reached since the spring of 1920.

During September, however, the gains in farm prices made in August were more than lost through declines in most farm products. The index of 30 commodities fell from 152 in August to 144 in September, the lowest this year. Should the index of non-agricultural prices remain fairly constant, the relative purchasing power index for September will drop below 90.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1924 Aug.	1925 July	1925 Aug.	Month's Trend
PRODUCTION				
Pig iron daily (Thou. tons)	63	86	87	Increase
Bituminous coal (Millions tons)	36	40	45	Increase
CONSUMPTION				
Cotton by mills (Thou. bales)	357	483	449	Decrease
Unfilled orders Steel Corp. (Thou. T.)	3,290	3,539	3,513	Decrease
Building contracts (Millions dollars)	300	441	521	Increase
Hogs slaughtered (Thousands)	2,017	1,804	1,586	Decrease
Cattle " "	1,092	1,252	1,281	Increase
Sheep " "	978	939	998	Increase
MOVEMENTS				
Bank clearings (N.Y.) (Billions dollars)	20	23	20	Decrease
Car loadings (Thousands)	4,844	3,888	5,364	Increase
Mail order sales (Millions dollars)	24	28	29	Increase
Men employed, N. Y. State Factories (Thou.)	471	486	487	Increase
Av. price 25 indus. stocks (Dollars)	119	149	158	Increase
Interest rate (4-6 mo. paper, N. Y.)	3.25	3.93	4.00	Increase
Retail Food Price Index (Dept. Labor)*	144	160	160	Same
Wholesale Price Index (Dept. Labor)*	144	157	159	Higher

There is not much change in the business situation. The anthracite coal strike is now a reality but does not disturb the community much as yet. Interest rates show occasional signs of stiffening but are still relatively low. The building trades are still active though flurries of labor unrest raise some notes of inquiry. In general, the country is going into the fall season with its economic machinery in nice balance.

Agriculture is making its contribution to good times. The improved farmer purchasing power will be no small factor in general business strength this winter. Conversely, agriculture is selling its products to a strong market.

GENERAL TREND OF WAGES AND PRICES

1910-1914 =100

Year and Month	General Wage Level	Farm Wages 2/	Retail Price of Food 1/	Wholesale Price of Food 1/	Wholesale Price All Commodities
	N.Y. factory workers				Bureau of Labor Statistics
1910	---	97	96	100	103
1911	---	97	95	96	95
1912	---	101	101	103	101
1913	---	104	103	99	102
1914(June)	100	101	106	101	100
1915	101	102	104	104	103
1916	114	112	117	120	129
1917	129	140	151	166	180
1918	160	176	174	187	198
1919	185	206	192	205	210
1920	222	239	210	218	230
1921	203	150	158	143	150
1922	197	146	146	137	152
1923	214	166	151	143	156
1924	218	166	150	143	152

1924

January	219	159	154	142	154
February	218	---	152	142	154
March	222	---	148	140	153
April	218	163	146	136	151
May	217	---	145	136	150
June	214	---	147	135	147
July	213	168	148	138	150
August	216	---	149	143	152
September	221	---	151	147	152
October	217	171	153	151	155
November	218	---	155	153	155
December	222	---	156	157	160

1925

January	223	156	159	159	163
February	220	---	156	156	164
March	224	---	156	158	164
April	218	163	155	153	159
May	221	---	156	152	158
June	220	---	160	154	160
July	220	169	165	156	163
August	224	---	165	158	163

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

2/ Index based on both monthly and daily wages.

NEW INDEX OF GENERAL TREND OF PRICES
On Five-Year Base, August, 1909 - July, 1914 = 100

Year and Month	Index numbers of farm prices							Wholesale Prices of Non-Agricultural Commodities 1/	Relative purchasing power of Farmer's Product 2/
	Grains	Fruits and Vegetables	Meat Animals	Dairy & Poultry Products	Cotton and Cotton-seed	Unclassified	All Groups 30 Items		
1910	104	91	103	101	113	102	103	102	101
1911	96	106	87	95	101	103	95	96	99
1912	106	110	95	103	87	106	99	100	99
1913	92	92	108	100	97	94	100	105	95
1914	103	100	112	101	85	95	102	97	105
1915	120	83	104	99	78	95	100	101	99
1916	126	123	120	106	119	100	117	138	85
1917	217	202	173	133	187	130	176	182	97
1918	226	162	202	160	245	157	200	188	107
1919	231	189	206	182	247	162	209	199	105
1920	231	249	173	197	248	152	205	241	85
1921	112	148	108	151	101	90	116	167	69
1922	105	152	113	135	156	94	124	168	74
1923	114	136	106	147	216	109	135	171	79
1924	129	124	109	137	211	100	134	162	83
1924									
Aug.	141	138	116	123	219	103	139	159	87
Sept.	140	113	115	133	175	100	132	158	83
Oct.	150	109	121	142	182	102	138	158	87
Nov.	147	108	115	150	179	106	137	160	86
Dec.	155	110	113	158	176	102	139	163	85
1925									
Jan.	172	122	123	154	182	94	146	165	88
Feb.	178	131	126	142	183	96	146	167	88
Mar.	172	138	145	134	195	94	151	165	91
Apr.	152	146	146	131	189	94	147	162	90
May	159	162	139	132	184	87	146	161	90
June3/	164	184	139	132	183	86	148	163	91
July3/	152	178	148	134	183	88	149	164	91
Aug.	157	178	149	139	186	96	152	164	93
Sept.	148	142	143	141	178	90	144	---	--

1/ Computed by Bureau of Labor Statistics from wholesale prices of all commodities except those from United States farms. 1910-1914 = 100. 2/ The value of a unit of the farmer's product in exchange for non-agricultural products at wholesale prices, compared with pre-war values. Obtained by dividing index of all groups (30 items) by index of wholesale prices of non-agricultural products. 3/ Indexes for unclassified and total groups revised for June and July. Index of purchasing power revised from 90 to 91 in June.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,903	41,040	19,764	24,168	472,011
1922 "	413,106	378,598	44,067	23,218	22,364	530,601
1923 "	386,430	271,858	55,330	23,211	22,025	549,207
1924 "	482,007	278,719	55,414	23,695	22,201	591,439
1924 Jan.	15,548	30,594	6,253	1,888	1,697	37,689
" Feb.	20,165	44,689	5,335	1,457	1,412	40,474
" Mar.	17,434	29,405	4,833	1,556	1,367	44,371
" Apr.	10,374	17,926	4,374	1,751	1,348	43,970
" May	16,039	15,988	4,321	1,890	1,344	57,462
" June	16,877	17,392	4,296	1,673	1,550	77,891
" July	39,911	18,453	4,091	1,798	1,672	78,089
" Aug.	88,461	18,841	3,196	1,934	2,005	57,624
" Sept.	81,183	22,084	3,216	2,566	3,027	47,760
" Oct.	84,858	18,877	3,990	2,737	3,295	42,220
" Nov.	58,081	15,231	4,904	2,363	1,879	30,417
" Dec.	33,076	29,239	6,604	2,083	1,605	33,471
1925 Jan.	23,247	35,820	6,105	1,869	1,467	38,118
" Feb.	18,493	20,833	4,558	1,530	1,388	35,421
" Mar.	16,925	23,868	3,528	1,860	1,504	41,027
" Apr.	10,023	9,810	3,247	1,827	1,541	42,559
" May	17,896	11,935	3,283	1,737	1,689	57,276
" June	20,465	17,381	3,507	1,746	1,603	74,597
" July	37,919	9,662	2,793	1,970	1,699	70,395
" Aug.	41,928	17,488	2,549	2,245	2,064	57,996

Movement of grain to market during August considerably below last year

Hog receipts in August not greatly under previous month but markedly less than year ago. Fall movement of sheep and cattle in progress - about like last year. Butter receipts also like same month last year.

THE TREND OF EXPORT MOVEMENT

Compiled from Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour	TOBACCO (Leaf)	BACON** HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1923 August	19,929	33,483	69,194	83,758	80,112	244
1923 12 months	171,928	474,500	828,890	1,035,382	958,473	5,279
1924 January	12,143	47,579	79,067	132,758	90,430	547
" February	10,019	38,414	81,108	99,910	90,462	482
" March	9,374	61,172	66,695	100,726	74,464	332
" April	8,416	59,019	57,546	73,307	64,474	321
" May	7,206	39,661	45,584	62,648	51,427	326
" June	10,257	52,614	44,145	59,475	49,807	231
" July	7,600	32,521	53,769	86,788	60,275	212
" August	21,106	33,410	52,367	75,937	60,170	278
" September	39,244	37,245	43,117	65,810	50,088	737
" October	53,463	56,227	45,365	60,813	52,820	947
" November	35,102	44,229	35,430	49,120	42,395	1,307
" December	24,326	44,168	33,788	76,803	43,114	1,076
1924 12 months	238,256	546,257	637,980	944,095	730,057	6,796
1925 January	12,928	35,446	56,169	78,440	65,705	1,076
" February	11,612	23,806	48,041	60,363	55,438	812
" March	16,202	32,475	53,853	63,281	62,016	740
" April	12,721	30,850	33,413	44,447	39,303	473
" May	12,976	22,415	33,475	71,135	38,977	331
" June	10,758	27,460	39,690	59,799	45,398	218
" July	8,789	39,037	35,472	49,414	40,990	202
" August	11,832	34,890	31,770	45,740	38,251	316

Relatively small exports of wheat and pork products reflect production situation in each case. Cotton running above last year.

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; mutton and lamb.

Includes linters.

** Includes Cumberland and Wiltshire sides.

COLD STORAGE SITUATION

September 1 holdings (Shows nearest million, six figures omitted):

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>September 1, 1925.</u>
Creamery butter, lbs.	116	156	109	128
American cheese, lbs.	60	76	67	77
Case eggs, cases	8,370*	8,778*	10,024*	9,863*
Total poultry, lbs.	27	34	54	48
Total beef, lbs.	60	49	50	45
Total pork, lbs.	703	711	670	584
Lard, lbs.	136	125	146	115
Lamb & mutton, lbs.	4.8	2.2	1.3	1.3
Total meats, lbs.	835	826	790	696

Moderately heavy movement of butter and cheese into storage during August.

Egg stocks fell off slightly, as did dressed poultry and beef. Pork and lard stocks dropped materially.

* Storage stocks above average in case of butter, cheese, eggs, poultry. Below average in case of beef, pork products, lamb and mutton.

*Thousands, or three figures, omitted.

Division of Dairy and Poultry Products, B. A. E.

The tone of all dairy markets is firm as September draws to a close, and this situation seems to be supported not only by a favorable statistical position, in so far as the various commodities are concerned, but by a feeling of confidence among those in the industry who do the buying and selling. Some important developments have of course, brought this all about, and there are several features of the situation which are of outstanding interest at this time. For example, a comparison of butter prices now and a year ago, reveals a difference of 10 to 11 cents, an increase in the spread of about 5 cents since the first of the month. Despite this higher level, it is encouraging to dairy interests to note that consumptive demand has apparently continued good, judging from the relatively free movement of market arrivals, particularly the higher grades. While in making this comparison, it must be remembered that 1924 was an "off year" in so far as fall butter prices were concerned, nevertheless, the steady climb of prices this year since the middle of August, without a single break at New York and with only minor and temporary setbacks at other important markets, is suggestive of the healthy tone which has continuously featured trading.

The butter storage situation is another feature of interest. Last year's peak on September 1 of 156,000,000 pounds was not reached this year by some 28,000,000 pounds, so that the present storage season starts off with a much different outlook. But, in addition to this, the September movement this year is also running heavier, so that there is occasional talk of a scarcity, rather than the burdensome surplus which worried butter interests throughout the 1924-25 season.

There has been at least the usual amount of speculation as to whether the price situation will result in imports, but so far nothing definite in this direction is reported. The occasional small lots of Danish butter which have come in are of no particular significance, inasmuch as they went into special channels at prices which were prohibitive for any volume of business. The possibility of imports always rests on the relation of foreign and domestic prices, and just what turn this relationship may take is, at this stage of the game, a matter of conjecture. The new season is getting under way in the Southern Hemisphere and the next few weeks' developments ought to show which way the wind is blowing.

Certain of the important producing sections which suffered the effect of bad weather conditions during the summer have recovered somewhat, and if current receipts in the markets may be accepted as an indication of what the fall make may be, it appears that production may hold up fairly well. Receipts of butter at important markets in August were almost equal to August of last year, and September has so far about held the same pace. Condensery production, which is definitely known up to September 1, is 3 per cent less than 1924 for entire calendar year although during the month of August, it was 12 per cent greater than that of August 1924. Along with this increase in August production over last year came also an increase in manufacturers' stocks as of September 1. The usual change during August is a decrease. Heavier stocks, however, appear to be of no particular concern, as reports from concentrated milk markets indicate that business during September has been good and that up until the middle of the month it included a fair amount of export trade, some of this presumably for Germany where an import tariff becomes effective on October 1.

DAIRY SITUATION

(Thousands i.e., 000 omitted)

Stocks on hand - September 1 - United States (Lbs.)

	In Cold Storage		In Manufacturers' Hands	
	Butter	Cheese*	Cond. & Evap. Milk	Powdered Milk(2)
1925	128,449	95,487	211,503	9,763
1924	156,440	95,211	242,635	14,317
Change	- 27,991	+ 276	-31,132	-4,554
Per cent change	17.9	+ 0.3	- 18.8	- 31.8
5 year average	+ 10.9	+ 23.7	--	--

* All Types.(2) Includes Skim Milk, and Cream Powder.

RECEIPTS OF BUTTER AND CHEESE (Lbs.)

	Butter at 4 Principal Markets*		Am. Cheese at Wis. Warehouses	
	August	Jan.-Aug. Inc.	August	Jan.-Aug. Inc.
1925	55,064	397,219	27,496	199,880
1924	55,341	418,724	26,009	193,435
Change	- 277	- 21,505	+ 3,487	+ 6,445
Per cent change	- 0.5	- 5.1	+ 13.4	+ 3.3

*New York, Chicago, Philadelphia and Boston

NET IMPORTS AND EXPORTS - August (Lbs.)

	Butter	Cheese	Cond. and Evap. Milk	Powdered Milk(1)
1925 - August	16 Im.	3,726 Im.	13,120 Ex.	332 Im.
1924 - August	227 Ex.	3,538 Im.	15,027 Ex.	441 Ex.
Jan.-Aug. 1925	1,777 Im.	29,166 Im.	99,534 Ex.	670 Im.
Jan.-Aug. 1924	14,543 Im.	31,937 Im.	132,683 Ex.	1,290 Ex.

(1) Includes Skim Powder.

BUTTER SUMMARY FOR JANUARY - AUGUST INC. (Lbs.)

	1925	1924	Change in 1925	% of Change
In cold storage Jan. 1.	65,657	30,299	+ 35,358	+ 116.7
Production: Jan.-August				
Creamery (Est.) 8 mo.	920,969	980,196	- 59,227	- 6.0
Farm (Est.) 8 mo.	423,266	429,300	- 6,034	- 1.4
Net imports (Jan.-Aug.)	1,777 Im.	14,543 Im.	- 12,766	- 87.8
TOTAL	1,411,669	1,454,338	- 42,766	--
In Cold Storage Sept.1	128,449	156,440	- 27,991	- 17.9
Apparent consumption during Jan.-August (8 mo.)	1,283,220	1,297,898	- 14,678	- 1.1
App. consumption August	177,438	175,439	+ 1,999	+ 1.1

THE POULTRY AND EGG SITUATION

Division of Dairy and Poultry Products, B. A. E.

Sharp advances in fresh egg prices which occurred the latter part of September were an outstanding feature of the month's developments. Prior to this, receipts had been fairly liberal and apparently adequate for the demand. Hot weather, however, had affected quality and reduced the percentage of fancy grades. It is possible also that receipts at terminal markets may have included some storage or short held eggs which would not satisfy fresh egg trade. At any rate, while quantity was not a factor, quality eggs were scarce, and the result was that prices of certain grades of fresh eggs shot upward almost by leaps and bounds. The advances which occurred after the middle of September, and which averaged more than a cent daily, place current prices on western fresh eggs at New York well above those of a year ago, but it does not appear that these prices represent the feeling in the markets regarding the situation generally, because statistically, there is not the substantial basis which such a change would suggest. It should be mentioned in this connection, that the sharp price advances referred to did not apply equally to all grades, and particularly so in the case of storage eggs, upon which there were but moderate changes in values. When viewed from a statistical standpoint, it will be seen that not only are receipts heavier than last year, but that the quantities of eggs in storage are also heavier and are not being reduced at what operators consider a satisfactory rate. Last year at this time, with lighter holdings in the four important wholesale markets, the reduction during September averaged approximately 18,000 cases daily, as compared with 13,000 cases daily this year. The cooler weather which is now generally prevalent is expected to help stimulate the movement of storage eggs, and indications are that special effort will be made to encourage egg consumption during the coming months.

Under moderate receipts which continue to run below those of last year, the dressed poultry market has reached a more favorable statistical position. Prices on all classes of chickens are below last year, and this appears to have influenced consumption favorably. During September the stocks of frozen poultry, which by their size have been exerting a depressing effect upon the market generally, have decreased as contrasted to the same time last year when stocks were increasing. As a result, the existing surplus is being constantly reduced and gives promise of soon reaching a point which can no longer be considered burdensome.

Fowl, particularly heavy fowl, have been in light supply with a fairly active demand at good prices. This condition has caused a better movement of the smaller fowl and has also lent some strength to the demand for roasting chickens of the better qualities. There still remains a large quantity of roasters in the freezers, a large proportion of which is of less fancy quality, and this is being pushed for sale at relatively low prices. The demand for frozen broilers and fryers has been only moderate, and sales have been effected at rather low and irregular prices.

The live poultry market has been fairly favorable. Receipts for the most part have been light to moderate and prices quite well maintained. Increased receipts were naturally attracted in anticipation of the Jewish holidays, but demand was sufficiently active to absorb the supplies without serious price declines.

POULTRY AND EGG SITUATION.

(Thousands, i.e. 000 omitted)

Stocks in Storage - September 1 - United States

	Shell eggs (Cases)	Frozen eggs (Pounds)	Dressed poultry (Pounds)
1925	9,863	47,100	48,087
1924	8,778	34,128	33,837
Change	+ 1,085	+ 12,972	+ 14,250
Per cent	+ 12.4	+ 38.0	+ 42.1
% change from 5-yr. av.	+ 17.8	+ 51.7	+ 75.5

Imports and Exports of Poultry and Eggs - January 1, to August 31.

	Imports	1925	1924	Exports	1925	1924
Shell eggs (dozens)		477	196		16,801	20,122
Whole eggs, dried (Lbs.)		629	615		--	--
Whole eggs, frozen (Lbs.)		6,180	1,399		192	469
Yolks, dried (Lbs.)		3,258	2,225		--	--
Yolks, frozen (Lbs.)		3,648	1,861		--	--
Egg albumen, dried (Lbs.)		2,606	1,902		--	--
Egg albumen, frozen, prepared or preserved (lbs.)		2,044	651		--	--
Live poultry, (Lbs.)		230	187		526	550
Dressed poultry (Lbs.)		1,203	755	(1)	4,856	3,785
Canned poultry (Lbs.)		272	312	(2)	--	52

(1) Includes game.

(2) Not separately stated.

Receipts and Apparent Trade Output at Four Markets - Eggs (Cases)

	Receipts	August Net storage Movement	App. trade Output	Receipts	JAN. 1 - August 31 Net storage Movement	App. trade Output
1925	1,042	- 11	1,053	12,298	+ 3,235	9,063
1924	986	-161	1,147	12,241	+ 2,500	9,741
Change	+ 56		- 94	+ 57		- 678
Per cent	+ 5.7		- 8.2	+ .5		- 7.0

Receipts and Apparent Trade Output at Four Markets - Dressed Poultry (Lbs.)

	Receipts	AUGUST Net storage Movement	App. trade output	Receipts	JAN. 1 - AUG. 31 Net storage Movement	App. trade output
1925	17,466	- 4,130	21,596	144,135	-57,164	201,299
1924	17,542	+ 82	17,460	171,369	-38,777	210,146
Change	- 76		+ 4,136	- 27,234		- 8,847
Per cent	- .4		+ 23.7	- 15.9		- 4.2

THE SITUATION IN VARIOUS KEY STATES

(From Reports of State Statisticians of this Bureau)

CALIFORNIA - Harvest of field and deciduous fruit crops is completed or well advanced in most areas of the State. Yields and prices combined indicate a successful year for most farmers. At this date, harvest of raisins, table and juice grapes, prunes, cotton, potatoes, hops, sugar beets, and beans are in full stride.

Climatic conditions have been generally favorable from mid-August to this date. Mean temperatures were slightly below the normal for this period, which was not wholly favorable, although there was very little precipitation to interfere with harvesting or drying of fruits. Late summer rains in the water sheds of the Colorado River have made abundant water supply on that stream. At an earlier date, a small flow and little snow to melt gave a gloomy outlook for late summer water supply for the Imperial Valley. This condition is now remedied. Early lettuce plantings will not be delayed.

Water is being drained from rice fields, raisins are on trays, and prunes are mostly in the drying yards. All grains but rice, corn, and grain sorghum are already harvested.

Late alfalfa is making excellent growth, while butterfat prices are well above the five-year average. The dairyman's outlook is again encouraging.

Livestock are moving to market at a normal rate, with indications that such movement will continue. Prices of slaughter stock have shown little change during recent weeks, while the prices for stock cattle have advanced.

Comparisons of out-of-state fruit shipments to September 11, 1925, with like shipments a year ago and the total for 1924 indicate the trend of demand and supply.

Crop	Car Loads Shipped Out of California		
	To September 11, 1925	To September 11, 1924	Total 1924
Peaches	2,868	1,811	1,840
Plums	3,693	2,887	2,887
Pears	6,857	5,128	5,870
Grapes	10,656	14,261	54,775

R. E. Blair.

COLORADO - Temperature continues favorable for maturing late crop corn. Beans, potatoes and all late crops coming out better than expected due to early general rain and showers since July 20. Mostly too dry for seeding and best growth of winter wheat. Ranges good. Hay crop a little short; deficiency mostly made up by better than usual forage crop. Nearly all crops commanding higher prices than last year. All livestock in good condition; price more favorable. Generally better truck crop than last year and moving rapidly to market. Prices mostly favorable. General feeling is distinctly satisfactory. -- W. W. Putman.

IOWA - Prospects for a good crop of corn in Iowa have aroused an active interest in the farm warehousing act. Many farmers believe that this year's crop will be the type of crop that will pay to warehouse. Approximately one-half of the counties are in a position to take advantage of this law which provides a form of collateral which can be discounted readily, and which helps in financing the storage and marketing of the crops. Forty-seven of the counties have organized under the warehouse law and have local boards to supervise the work in their respective counties. State officials are preparing to register other counties as rapidly as the local organizations may be completed.

Over 12,000 farmers from all sections of Iowa have taken time during the past 3 months to learn more of the State College of Agriculture and its direct relationship to their own lives. In county groups, they have assembled at Ames, visiting the college buildings and inspecting the experimental plots of the agronomy section and feeding yards of the animal husbandry division. These large delegations indicate that a particular interest is being expressed by Iowa farmers in the economy of production, good farming, balanced thinking, and right living.

Farm leaders advance the opinion that the sentiment toward commodity marketing organization has increased its fervor during the past summer. The corn growers report increased membership in their "fair profit plus cost of production" program, and they believe that their five-year contract is being rapidly accepted as fair and essential to the functioning of a cooperative association. The livestock shippers have again attacked their marketing problems in the belief that daily overloading of the terminal markets with accompanying price fluctuations can be remedied by operating country-owned concentration points for grading hogs before they are offered to the market. Shippers and carriers have announced a meeting on October 21, 1925, for the adjustment of car service difficulties which may arise during the future shipping seasons.

Hot, dry weather in late August and early September was a benefit to the seeding of winter wheat. It delayed early planting until the soil moisture conditions improved and set the average planting much closer to the fly-free date. Late reports indicate that the acreage to be planted, as expressed in the early intentions report, has been slightly reduced.

Total receipts of stocker and feeder cattle from the markets up to the middle of September, have been only 3 per cent greater than a year ago. It is probable, however, that a greater number of individual farmers have visited the ranges in person this year than last. Early season buyers of direct range stuff seem to have had a preference for South Dakota stockers. Later, direct purchases are expected to be made up largely of Colorado and Wyoming steers.

Implement dealers report larger sales this fall of silo-filling machinery and corn-husking outfits. Such sales were not made to farmers of the northwest counties where extreme drought of the entire season unduly hastened the maturity of corn and caused much of it to be cut early and shocked for fodder. -- Leslie M. Carl.

TEXAS - Rains began falling early in September, effectively breaking the long drought which had prevailed in some sections of the State since June of last year. While the benefit to the soil and late crops was very great, the coming of the rains also had a tremendous moral effect in that they changed discouragement into renewed hope and activity. A large acreage of late corn, sorghums, and hay crops has been planted in an effort to, in a measure, supply the great shortage brought about by the lack of rainfall.

Late cotton was helped and small bolls were given a chance to develop normally. However, with the coming of the rains, leafworm, bollworm and weevil have taken on renewed activity, largely offsetting the benefits accruing. The leafworm outbreak this season is the earliest and most severe in 10 years. An increased acreage of oats and wheat is being sown, largely to supply much needed pasturage. The cattle industry is feeling the greatest activity since the disaster of 1920, the demand and price are good and stock is improving with the greening of the range. A good mohair and wool clip is being made and sheep and goats will enter the winter in satisfactory condition. Improvement in the hog situation is delayed by the shortage of feed.

Thousands of carloads of hay and corn are being shipped into Texas from other States and more will be needed when spring work begins. The flow of milk has been cut severely by the lack of green feed, while sales of canned milk have increased correspondingly. Sales of row-binders and haying machinery show an increase, particularly in those sections which formerly raised little sorghums or hay. At least one good result has come from the drought - the awakening to the irrigation benefits and possibilities, the immediate consequence being a great demand for pumps and engines. A significant development is the buying of large quantities of power machinery for cotton farming. It is fraught with untold possibilities.

Building material is enjoying a good volume of business, country yards are buying and concrete is gaining in favor for paving. Exports of lumber continue active. Wholesalers in general find net sales below those of last month and a year ago with the sale of fall goods slow, particularly in the south central counties. In a number of lines collections are slow with less discounting in bills, and requests for extension of obligations. Deposits in banks are showing a steady increase with the early marketing of cotton. There is also an increase of the proportion of cash sales, notably in the drought area. The foot and mouth outbreak has already taken a toll of 16,000 head of cattle, but it is hoped that it is now well under control. Quarantining of 22 counties near the coast has brought great hardship to all concerned. -- H. H. Schutz.

ILLINOIS - The Illinois agricultural situation may be rated as fairly strong and the best since 1920. Farm lands are showing added value again. A State corn yield above the average and a prospect for a period of profitable livestock prices are the main features of encouragement to farmers over a large part of the State.

The important livestock feeding industry promises to hold up strong. Shipments of feeder cattle into Illinois up to September 11 numbered 134,000 head against 119,000 a year ago and 143,000 shipped in 1923 up to this date. Feeder sheep imports number 117,000 head against 123,000 last year and 110,000 in 1923 up to September 11. Dairy and egg prices continue higher than a year ago.

The declining condition of all late crops, due to prolonged drought and heat, was relieved by general rains and cooler weather during the second week in September. Pastures in general, late crops in the northern area, and all farm work benefited by the change. Plowing and preparatory work for fall planting has progressed rapidly since the rains, and it is reported up to average or better as a rule. The outlook is for 15 per cent increase in the fall planted wheat acreage. Corn crop prospect favorable over most of the heavy acreage belt. Yields have been reduced sharply in much of the southern area and in some eastern counties by the long drought and heat period forcing crop to maturity prematurely. Eighty-four per cent of crop safe from frost on September 20 and practically all will be safe if frost holds off until October 1. State winter wheat and oats yields not up to average but of good quality. Oats fair to good in north and northwest but mostly poor elsewhere. Wheat yields favorable in northern and southern areas and varying from poor to fair in the important central area. Improved wheat prices, however, brought money return per acre up to average in much of the area of lessened production. Except in the northwest and in some other upper central and northern counties, hay, pastures, and grass seed crops are short. Much corn fodder will be cut to meet the hay shortage. Potatoes poor and importations will be larger than usual. Cotton crop favorable. Spring wheat, barley, cantaloupes, and apples are fairly large crops. Melons fair on an increased acreage. Other fruits on an expanded acreage range from fair to poor. Farm work is well advanced. Threshing was completed under favorable conditions. Farm labor situation best in years.

Health conditions of livestock favorable. Cattle and sheep numbers on farms are holding up well. Hog numbers not up to average. Improved purchasing power of farmers reflected by increased purchases of farm machinery, especially tractors, harvesters, two-row cultivators, and labor-saving machinery. City building operations continue quite active, though the city employment situation is only fair. The general labor situation for the State, however, has improved, due to the important coal mining industry opening up full swing with an outlook for a heavy season ahead. State banking situation strong and improving, with farmers making some progress in debt liquidation. -- A. J. Surratt.

NOTES FROM THE WEST

On the surface, the West - the Wheat Belt and Range Country - has "come back" strongly from its four-year pit of depression. Underneath the surface, it is still gamely fighting the battle of readjustment.

Nor is the stake merely recovery from post-war difficulty. The real issues lie deeper. The West's present-day struggle is rooted in that economic pressure which spells transition from exploitive, frontier systems of production to essentially conservative, settled systems.

CATTLE

Of all the major agricultural lines in this country, the range cattle industry is most difficult to size up accurately. No two men agree on either production or movement.

Summing up available statistics and the judgment of the best informed men, it appears that there has been something like a 20 to 25 per cent reduction in cattle since the peak of numbers in 1919. Liquidation has been rather heavier in the Continental Divide States and eastward, and rather less to the westward.

The range is in excellent shape this fall, generally speaking. There are localities in the North where dry weather made the grass cure short and spots, as in southwestern Wyoming, where rain kept the grass green and delayed curing almost into the frost season. Then, of course, portions of New Mexico and Arizona have been drought stricken for some time. But, on the whole, there is a better supply of feed in sight and stock is going into winter in even better condition than last year.

Market prices, in general, are around \$2 per hundredweight higher this fall than last. High quality, heavy steers show a still greater spread. The feeder and stocker demand is good.

Cattlemen are feeling better. Their banks and loan companies are feeling better. Optimism is slowly returning, and that is a tangible factor in this business where much money has to be borrowed. Outfits with sufficient resources are stocking up. Still, there are many men in financial difficulties, especially in the Southwest. Forced sales are still going on. In this industry with a cycle of production and prices some eight years long, it takes time for revival even after the corner has been definitely turned.

Cattlemen are giving serious thought to questions of efficiency in herd management. The fact that the average calf crop in the range country is only about 50 to 60 per cent is suggestive of the central problem. Overstocking of the ranges, underfeeding of cows through the winter, selection, care, and numbers of bulls, regulation of the breeding age and season as well, weeding out of sterile cows, such "working"

of cows on range as to minimize calf losses between birth and weaning, all the many practices that enter into profitable management are up for very serious consideration. Opinion among many successful men is that the larger ranches are destined to be split up as time goes on but that the small ones are likely to grow larger. Apparently the cow country is groping through this transition period, as other agricultural regions have done before, for some unit of size in ranch and herd and for some standards of management which shall be most efficient for the more conservative order of production. It is the job of a generation.

Sheep

Sheepmen, in the words of one of them, are "sitting on top of the world". The verdict of local bankers is that sheep raisers who can not clear their debts in these times never can.

There has been a gradual expansion in numbers of sheep for three years. The limits of range, however, preclude very violent expansion. There has been and is some shifting from cattle to sheep, a process stimulated in certain cases by bankers who are weary of holding cattle paper.

The mountain ranges were good this summer which means fat old sheep and well-grown lambs. They have been moving down out of the high ranges for a month past. From the multitude of small shipping stations flow long trains eastward - lambs to the feed lots, many old ewes to start farm flocks. The demand for ewes is tremendous; ewe lambs are being held back on the range in considerable numbers to augment breeding flocks.

The whole picture of the range sheep industry is one of prosperity and expansion. How long that will last apparently does not worry anyone. And a cattle owner in Colorado, who knows most of the outfits from Billings to El Paso, put it this way, "Well, its not reasonable to expect 15 cent lambs forever, and as far as I'm concerned Heaven forbid that I ever descend to runnin' sheep anyhow - but its a painful fact that in the long run there's been five dollars made in this western country in sheep to every dollar made in cows". Which, however, will probably not be unanimously conceded.

Wheat

Down in the winter wheat territory of western Kansas, Oklahoma, and in a portion of Nebraska, the crop was considerably cut by drought. In the northern spring wheat country - Montana, the Dakotas, Minnesota, expectations of the early part of the season were cut down by later hot weather and rust. The crop season was thus a downhill progress, with final winter yields low and spring yields only fair.

Prices, however, have made up for some of the loss in yield. And the quality of the grain has been uniformly high. Montana is getting about all the premiums that the market ever offers. Wheat matured early, was cut

and threshed fairly early, and the movement of spring wheat to market was early and heavy. Fall plowing was well under way by mid-September. Much winter wheat is already in the ground once more. How greatly this planting exceeds last fall remains to be seen.

Aside from those southwestern areas where the crop practically failed, this is to be classed as a pretty good season in the Wheat Belt. Moreover, it comes on the heels of the excellent season of 1924. That means cumulative improvement in the financial situation. Last year farmers paid off their most pressing debts. This year they are paying more debts and in addition have a little margin for new equipment and supplies. The signs are unmistakable. Sales of paint, fencing, lumber, roofing, wagons or wagon boxes, binders, plows, harness, tractors, from centers like Hutchinson, Billings, Fargo, Grand Forks, are said to be the best in five years. The wheat country is paying up and fixing up.

But to jump to the conclusion that the economic perplexities of the Wheat Belt have been wholly ironed out by last year's crop and this year's prices is to ignore the vital background of the picture. Back there is always the central fact that wheat production - from the Hundredth Meridian to the Rocky Mountains - is in a transition stage. That region is just in process of passing from the ranks of the world's agricultural frontiers. Day before yesterday that territory was as freely exploitive as is southern Argentina now. Day after tomorrow it will have crop rotations, livestock industries, diversified feed and money crops, a settled agriculture. The opening wedges are evident: thousands of acres of sweet clover, alfalfa, kafirs and sorghums, oats and barley, corn, growing herds of beef cattle, hogs, dairy stock, sheep, all marching slowly westward, consolidating, entrenching, occupying the territory. But that is the march of a generation yet, 25 years.

Meanwhile much frontier wheat is still growing in that Belt. Burning straw stacks still light up the September nights from the Red River Valley westward. The speeding of this transition period with minimum hardship to the region is in some sense a national problem. There are perhaps more aspects of national concern in this wheat situation than in the case of any other agricultural product of surplus production.

IN GENERAL

The West is again on its feet and fighting its own way. But it is going through difficult and long-time transition.

One aftermath of the deflation period is plainly in evidence - a matter common to all the country today - namely, the distress of marginal land. Broadly speaking, poor land is making no money in the United States today, whether it be range, Wheat Belt, corn or cotton land, or any other.

It is of some importance that the country at large includes these background considerations in its view of the West. Snap judgment on agricultural recovery in relation to questions of freight rates, land reclamation, taxation and similar economic issues can be very harmful at this particular time.

A. B. Genung.

